

2007



1. *Alfalfa-Timothy Hay*
2. *Barley*
3. *Spring Canola*
4. *Winter Canola*
5. *Coloured Beans*
6. *Grain Corn*
7. *Silage Corn*
8. *Flax* NEW
9. *Oats*
10. *Organic – Grain Corn and Soybeans* NEW
11. *Organic – Winter Wheat and Spelt* NEW
12. *Organic – Barley and Oats* NEW
13. *Soybeans*
14. *Soft Winter Wheat*
15. *Hard Red Winter Wheat*
16. *Hard Red Spring Wheat*
17. *White Beans*

FIELD CROP BUDGETS

Publication 60

These crop budgets are a simple format for estimating expenses. The sample costs are only a guide to illustrate a method of preparing your projections. They are based on many assumptions, including seeding rates, levels of fertilizer use, etc. Due to regional differences, there may be considerable variation in results.

To project your breakeven price after total costs, enter your farm figures in the spaces provided. The resulting estimate will assist you in choosing your crop mix, and setting target prices and marketing strategies for your farm.

Electronic versions of these crop budget worksheets can be found on the **Ontario Enterprise Budgets** website:

www.omafr.gov.on.ca/english/busdev/bear2000/Budgets/oeb.htm

2007 FIELD CROP BUDGETS

Crop budgets are a management tool to estimate costs and evaluate cropping alternatives. The sample costs are not averages or recommended treatments. The budgets comprise treatments derived from crop advisors in the areas where the crops are commonly grown. There will be differences due to growing region, cropping practices, individual needs and yield expectations. The budgets, unless indicated otherwise, are based on conventional tillage practices. Seed costs, except for the *Bacillus thuringiensis* (Bt) and Roundup Ready (RR)[®] Corn, Spring Canola and Soybeans, are non-genetically enhanced varieties. The budgets developed for Bt or RR[®] varieties do not represent an endorsement of these products. They are included due to the current predominance of these production systems in field crop operations. Roundup Ready varieties are registered products of Monsanto Canada Inc.

Identity Preserved (IP) crops require budgeting for any extra expenses and revenue — for example increased seed, weed control, storage and equipment cleaning costs. Some of the budgets provide a line item for this.

Interest rates were calculated at 7.0% for the period between planting and harvest.

These budgets will be most meaningful if you use your expected yields and specific costs in developing production plans. Sample costs were taken from the 2007 Ontario Enterprise Budgets. The crop insurance premiums shown are the producer premiums at the highest coverage level and, at the floating-price, if available.

The estimated costs for machinery are derived from agricultural engineering formulas and Ontario average custom rates. The Ontario average custom rates with an adjustment to account for the increase in fuel prices are allocated across the six machinery-related expenses. It is recommended that you use your records to derive your costs. Experience is the best guide to help budget machinery costs. Prior year's statements of income and expenses can provide information on equipment repairs, maintenance, and fuel costs. The portion of those costs that relate to crop production can be divided by the acres of crop produced to arrive at a cost per acre.

Overhead expenses are a major part of the total cost of doing business. In addition to the depreciation of machinery, include depreciation on all related tools and storage buildings. Land costs would include property tax and any other land related costs. Other overhead expenses should include insurance, professional fees, office, vehicles and storage. In all cases, divide overhead expenses by the acreage of crop to express costs on a per acre basis. Return on investment is an opportunity cost to you — the rate of return that you expect or want on your invested capital.

If there are significant debt commitments for land and equipment, an alternative method of budgeting overhead expenses is to use the debt servicing requirements. In this case, use the actual interest and principal payment commitments, rather than depreciation and expected return on invested capital.

"Total Revenue" is the yield you expect multiplied by the price you expect. Yield information is most accurate if based on your experience with the land and techniques you will be using. If you do not have such records, check with AGRICORP or a local farm supply dealer. They can help you develop plans and reasonable expectations for your crops.

"Gross Margin" is the difference between total operating expenses and total revenue. "Operating Expenses" (seed, fertilizer, fuel, repairs) change with the crop grown and the production blend used. "Fixed or (overhead) Costs" will show little or no change whether one crop or another is grown. "Gross Margin" is a quick and easy measure for comparing relative profitability among your cropping choices.

Table 1. Adjustment for Nitrogen Requirement to crops following a legume crop

Type of crop	N requirement reduction (kg/ha)	
	Corn	Other crops
Less than $\frac{1}{3}$ legume	0	0
$\frac{1}{3}$ to $\frac{1}{2}$ legume	55	55
$\frac{1}{2}$ or more legume	110	110
Perennial legumes seeded/ploughed in same year	80	45 ¹
Soybean and field bean residue	30	0

1. Applies where the legume stand is thick and over 40 cm (16 in.) high.

2007 FIELD CROP BUDGETS

2007 Crop Comparison Summary Table for Selected Field Crops (\$ / acre)*

	Corn Conventional Tillage	Roundup Ready® Spring Canola	Non GMO Soybeans No till	Roundup Ready® Soybeans No till	Coloured Beans	White Beans	Soft Winter Wheat No till	Barley	Spring Wheat
Seed	59.75	58.10	34.90	58.70	94.75	67.40	35.50	32.20	44.95
Seed treatment			5.00	5.00					
Fertilizer	84.05	57.85	15.05	15.05	17.80	25.60	55.85	45.25	45.05
Pesticides	37.15	5.20	47.20	17.90	56.05	52.50	6.90	20.75	6.40
Total Inputs	180.95	121.15	102.15	96.65	168.60	145.50	98.25	98.20	96.40
Tillage	38.20	35.45			60.40	41.75		35.45	35.45
Planting	15.40	15.40	21.00	21.00	16.40	20.40	20.00	15.40	15.40
Spraying	9.10	9.10	18.20	18.20	18.20	18.20	9.10	9.10	9.10
Fertilizing	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Harvesting & trucking	63.50	38.00	42.75	42.75	83.30	48.45	46.65	44.15	39.85
Total Machinery	135.35	107.10	91.10	91.10	187.45	137.95	84.90	113.25	108.95
Drying	62.60		8.05	8.05					
Crop insurance	11.20	13.40	9.90	9.90	18.60	13.45	6.40	4.25	6.15
Interest @ 7.0%	13.05	6.85	6.55	6.35	9.65	8.50	9.40	7.40	5.65
Marketing & other	29.80	3.40	9.60	9.60	3.20	5.05	3.80		1.65
Total Costs	432.95	251.90	227.35	221.65	387.50	310.45	202.75	223.10	218.80
Yield									
Price									
Gross Return									
Net Margin /acre									
Less:									
Land cost/rent									
Utilities/acct/misc.									
Net Return per acre									

* The crop comparison summary table is derived from the individual budgets in the publication. Some expense items have been combined in the summary table. For the breakout of the individual expenses refer to the respective budget in the publication.

® Roundup Ready varieties are registered products of Monsanto Canada Inc.

ALFALFA-TIMOTHY HAY

DIRECT SEEDING ESTABLISHMENT	Sample Costs/Acre	Your Farm Budget
Seed — 12 lb/ac alfalfa.....	46.90	
Other seed (Timothy – 4 lb/ac).....	7.40	
Inoculant.....	1.05	
Fertilizer — 50 kg/ac 8-32-16.....	20.20	
— 50 kg/ac 0-0-60 (applied in fall).....	18.35	
Herbicide — burndown and broadleaf control.....	22.35	
Crop insurance	2.10	
Tractor and Machine Expenses		
Fuel (20 L) and lubricants	16.95	
Repairs.....	16.90	
Custom work (2 pesticide applications).....	18.20	
(2 fertilizer applications, mixing & delivery)	18.30	
(bale wrapping – 1 cut)	19.25	
Twine		
Operator labour (self or hired)	31.30	
Interest	14.55	
Total Establishment Year Expenses	253.80	
ANNUAL OPERATING EXPENSES (assuming 2 cuts)*		
Establishment year expenses – over 4 years (less Est. year sales)	21.75	
Fertilizer — 10 kg/ac 0-46-0.....	4.85	
— 50 kg/ac 0-0-60 (applied in fall).....	18.35	
Tractor and Machine Expenses		
Fuel (15 L) and lubricants.....	13.05	
Repairs.....	17.35	
Twine		
Crop insurance	12.55	
Custom work (2 fertilizer applications, mixing & delivery)	18.30	
(bale wrapping).....	38.55	
Other costs.....		
Land rent		
Operator labour (self or hired)	31.45	
Interest on operating.....	6.70	
Total Annual Operating Expenses	182.90	
<i>*Note: Assuming 3 cuts, the Annual Operating Expenses per acre would increase</i>		
REVENUE		
Expected yield		
Expected price		
Total Revenue (Yield × Price)		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation.....	32.80	
— Interest on investment	22.70	
Land		
Other overhead.....	5.50	
NITROGEN CREDIT TO FOLLOWING CROPS IN ROTATION		
Nitrogen credit (\$/ac = N reduction(from Table 1 × price of N).....		
Grain yield increase		
Total benefits/year.....		
TOTAL EXPENSES	243.90	

BARLEY

OPERATING EXPENSES (costs based on projected yield of 1.5 tonne/ac (70 bu/ac))		Sample Costs/Acre	Your Farm Budget
Seed — 120 lb/ac certified treated(1.0 – 1.4 M seeds/ac).....		32.20	
Fertilizer — 64 kg/ac Urea (2800 or less Corn Heat Units(CHU)).....		30.50	
— 40 kg/ac Urea (2800 or more CHU)		19.05	
— 20 kg/ac P		13.95	
— 20 kg/ac K		12.25	
Herbicide — annual grasses and Broadleaf weeds		6.40	
—			
Fungicide, if required		14.35	
Tractor and Machine Expenses			
Fuel (12 L) and lubricants		10.15	
Repairs and maintenance		15.85	
Crop insurance		4.25	
Custom work (fertilizer application, mixing & delivery).....		9.15	
(pesticide application)		9.10	
other			
Trucking (\$6.35/tonne)		9.50	
Storage			
Land rent			
Operator labour (self or hired)		8.50	
Interest on operating		7.40	
Total Operating Expenses — Grain (2800 or less CHU).....		183.55	
Total Operating Expenses — Grain (2800 or more CHU)		172.10	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel (3 L) and lubricants		2.35	
Repairs and maintenance		3.20	
Twine		2.50	
Other		9.30	
Total Operating Expenses — Straw		17.35	
Total Operating Expenses (2800 or less CHU)		200.90	
Total Operating Expenses (2800 or more CHU)		189.45	
REVENUE			
Expected barley yield			
Expected barley price			
Total Market Revenue (Yield × Price)			
Program payment			
Total Barley Revenue			
Expected straw yield			
Expected straw price			
Total Straw Revenue (Yield × Price)			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses).....			
OVERHEAD EXPENSES			
	Barley Only	Barley + Straw	
Machinery — Depreciation	27.30	33.00	
— Interest on investment	19.10	23.30	
Land			
Other overhead	5.35	6.70	
TOTAL EXPENSES (2800 or less CHU)	235.30	263.90	
TOTAL EXPENSES (2800 or more CHU) .	223.85	252.45	
Breakeven price on your farm is: (total expenses/expected yield).....			

SPRING CANOLA

Roundup Ready [®]			
OPERATING EXPENSES (costs based on projected yield of 0.85 tonne/ac)	Sample Costs/Acre	Sample Costs/Acre	Your Farm Budget
Seed — 5 lb/ac — hybrid, treated.....	39.55	43.10	
Fertilizer — 60 kg/ac 6-24-24.....	22.60	22.60	
— 74 kg/ac Urea [†]	35.25	35.25	
Herbicide — preplant, incorporated.....	15.65		
— mustard control, if required.....	11.85		
— other weed control.....		5.20	
Technology use agreement.....		15.00	
Insecticide, if required.....			
Fungicide, if required.....			
Tractor and Machine Expenses			
Fuel (12 L) and lubricants.....	10.15	10.15	
Repairs and maintenance.....	15.85	15.85	
Marketing fees (\$4.00/tonne).....	3.40	3.40	
Crop insurance.....	13.40	13.40	
Custom work (fertilizer application, mixing & delivery).....	9.15	9.15	
(pesticide application).....	9.10	9.10	
other.....			
Trucking (\$6.35/tonne).....	5.40	5.40	
Storage.....			
Land rent.....			
Operator labour (self or hired).....	7.70	7.70	
Interest on operating.....	6.95	6.85	
Total Operating Expenses	206.00	202.15	
REVENUE			
Expected yield.....			
Expected price.....			
Total Market Revenue (Yield × Price)			
Program payment.....			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES			
Machinery — Depreciation.....	27.50	27.50	
— Interest on investment.....	17.65	17.65	
Land.....			
Other overhead.....	5.35	5.35	
TOTAL EXPENSES	256.50	252.65	

Breakeven price on your farm is: (total expenses/expected yield)

[†] Nitrogen rate is based on nitrogen price of \$ 1.04/ kg (0.47 /lb) N and a canola price of \$379/t.

More accurate nitrogen requirements for canola, adjusted for yield and fertilizer cost, may be obtained by referring to the canola section of the OMAFRA *Agronomy Guide for Field Crops*, Publication 811.

WINTER CANOLA

OPERATING EXPENSES (costs based on projected yield of 1.13 tonne/ac)		Sample Costs/Acre	Your Farm Budget
Seed* — 3.5 lb/ac — hybrid, treated		34.60	
Fertilizer** — 67 kg/ac 7-30-24		28.70	
— 137 lb/ac N (114 kg/ac urea + 45kg/ac ammonium sulphate) [†]		70.35	
Herbicide — volunteer cereal control		7.70	
Insecticide, if required (Cabbage Seedpod Weevil)		6.60	
Fungicide, if required			
Tractor and Machine Expenses			
Fuel (9 L) lubricants		7.80	
Repairs and maintenance		12.80	
Marketing fees (\$4.00/tonne)		4.50	
Crop insurance		13.40	
Custom work (fertilizer application, mixing & delivery)		9.15	
(2 pesticide applications)		18.20	
other			
Trucking (\$6.35/tonne)		7.10	
Storage			
Land rent			
Operator labour (self or hire) [‡]		5.65	
Interest on operating		7.95	
Total Operating Expenses		234.50	
REVENUE			
Expected yield			
Expected price			
Total Market Revenue (Yield × Price)			
Program payment			
Total Revenue			
GROSS MARGIN (Revenue - Operating Expenses)			
OVERHEAD EXPENSES			
Machinery — Depreciation		17.80	
— Interest on investment		12.80	
Land			
Other overhead		4.30	
TOTAL EXPENSES (Hybrid)		269.40	

* Seeding rate recommended range is 3–5 lb/ac. The lower rate may be difficult to achieve with some seed drills.

** Fertilizer recommendation is for a field testing low in phosphorus and potassium. Additional nitrogen in the fall may be beneficial if seeding is delayed.

† 45 kg/ac ammonium sulphate supplies 24 lb/ac sulphur.

COLOURED BEANS

OPERATING EXPENSES (costs based on projected yield of 14 cwt/ac)	Sample Costs/Acre	Your Farm Budget
Seed — 80 lb/ac (wide rows) certified, treated seed (with Cruiser insecticide).....	94.75	
Fertilizer — 44 kg/ac 8-32-16	17.80	
— nitrogen, if required		
Herbicide — annual grass	15.75	
— broadleaf weeds	21.40	
— other weed control, if required		
Insecticide (potato leafhopper control)	9.95	
Fungicide, if required		
Crop Pre-harvest	8.95	
Tractor and Machine Expenses		
Fuel (24 L) and lubricants	20.45	
Repairs and maintenance	24.50	
Marketing fees (\$5.00/tonne)	3.20	
Crop insurance	18.60	
Custom work (fertilizer application, mixing & delivery)	9.15	
(3 pesticide applications)	27.35	
Trucking (\$6.35/tonne)	4.00	
Drying		
Land rent		
Operator labour (self or hired)	17.35	
Interest on operating	9.65	
Total Operating Expenses	302.85	
REVENUE		
Expected yield		
Expected price		
Total Market Revenue (Yield × Price)		
Less Pick Charges (typically 2% – 4%)		
Program payment		
Total Revenue		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	50.25	
— Interest on investment	36.75	
Land		
Other overhead	8.30	
TOTAL EXPENSES	398.15	
Breakeven price on your farm is: (total expenses/expected yield)		

GRAIN CORN

Tillage System				
	Conventional	Minimum Till	No-Till	
OPERATING EXPENSES				
(costs based on projected yield of 3.7 tonne/ac (145 bu/ac))				
	Sample Costs/Acre	Sample Costs/Acre	Sample Costs/Acre	Your Farm Budget
Seed — 30,000 kernels - treated.....	59.75	59.75	59.75	
Fertilizer ¹ — 28 kg/ac MAP 11-52-0.....	13.35	13.35	13.35	
— 32 kg/ac Muriate of Potash 0-0-60	11.75	11.75	11.75	
— 52 kg/ac N (186 kg/ac of 28-0-0 U.A.N) ¹	58.95	58.95	58.95	
Herbicide — annual grass and broadleaf weeds.....	37.15	37.15	37.15	
— burndown			8.95	
— other weed control, if required				
Insecticide, if required.....				
Tractor and Machine Expenses				
Fuel (18 L conv., 16 L min, 12 L no till) and lubricant.....	15.10	13.40	10.55	
Repairs and maintenance.....	16.60	14.70	14.60	
Marketing fees (\$0.40/tonne).....	1.50	1.50	1.50	
Crop insurance.....	11.20	11.20	11.20	
Custom work (fertilizer appl., mixing & delivery)	9.15	9.15	9.15	
(pesticide applications).....	9.10	9.10	18.20	
other				
Trucking (\$7.00/tonne).....	25.85	25.85	25.85	
Drying (\$16.92/tonne, 8 points).....	62.60	62.60	62.60	
Land rent.....				
Operator labour (self or hired)	11.85	8.85	6.55	
Storage (\$1.91/tonne/month X 4 months).....	28.30	28.30	28.30	
Interest on operating	13.05	12.80	13.25	
Total Operating Expenses.....	385.25	378.40	391.65	
REVENUE				
Expected yield				
Expected price				
Total Market Revenue (Yield x Price)....				
Program payment				
Total Revenue				
GROSS MARGIN (Revenue – Operating Expenses)				
OVERHEAD EXPENSES				
Machinery — Depreciation	26.25	24.50	23.90	
— Interest on investment	17.10	16.00	15.50	
Land.....				
Other overhead	5.35	5.00	4.90	
TOTAL EXPENSES.....	433.95	423.90	435.95	
Breakeven price on your farm is: (total expenses/expected yield)				

1. Nitrogen rate is based on the NEW nitrogen rate calculator. Nitrogen recommendation is for corn grown in southwestern/central Ontario, 2900 HU, loam soil, following wheat, with projected corn yield of 145 bu/ac, and nitrogen cost of \$1.11/kg and corn price of \$3.30/bu.

More accurate nitrogen requirements for corn, may be obtained on the internet at GOCORN.NET. A CD version is available by contacting OMAFRA Contact Centre at 1-877-424-1300.

GRAIN CORN – Genetically enhanced hybrids**Conventional Tillage**

	Bt <i>Bacillus thuringiensis</i>	RR ¹ Roundup Ready	Bt and RR	Your Farm Budget
OPERATING EXPENSES (costs based on projected yield of 3.7 tonne/ac (145 bu/ac))	Sample Costs/Acre	Sample Costs/Acre	Sample Costs/Acre	
Seed — 30,000 kernels, treated.....	67.40	72.20	81.75	
Fertilizer ¹ — 28 kg/ac MAP 11-52-0.....	13.35	13.35	13.35	
— 32 kg/ac Muriate of Potash 0-0-60	11.75	11.75	11.75	
— 52 kg/ac N (186 kg/ac of 28-0-0 U.A.N) ¹	58.95	58.95	58.95	
Herbicide — annual grass and broadleaf weeds.....	37.15	8.95	8.95	
— burndown				
— other weed control, if required				
Insecticide, if required.....				
Tractor and Machine Expenses				
Fuel (18 L) and lubricant	15.10	15.10	15.10	
Repairs and maintenance	16.60	16.60	16.60	
Marketing fees (\$0.40/tonne).....	1.50	1.50	1.50	
Crop insurance	11.20	11.20	11.20	
Custom work (fertilizer appl., mixing & delivery)	9.15	9.15	9.15	
(pesticide applications)	9.10	9.10	9.10	
other				
Trucking (\$7.00/tonne).....	25.85	25.85	25.85	
Drying (\$16.92/tonne, 8 points).....	62.60	62.60	62.60	
Land rent.....				
Operator labour (self or hired)	11.85	11.85	11.85	
Storage (\$1.91/tonne/month × 4 months)	28.30	28.30	28.30	
Interest on operating	13.30	12.45	12.80	
Total Operating Expenses.....	393.15	368.90	378.80	
REVENUE				
Expected yield				
Expected price				
Total Market Revenue (Yield × Price)....				
Program payment				
Total Revenue				
GROSS MARGIN (Revenue – Operating Expenses)				
OVERHEAD EXPENSES				
Machinery — Depreciation	26.25	26.25	26.25	
— Interest on investment	17.10	17.10	17.10	
Land.....				
Other overhead	5.35	5.35	5.35	
TOTAL EXPENSES.....	441.85	417.60	427.50	

Breakeven price on your farm is: (total expenses/expected yield)

1. Nitrogen rate is based on the NEW nitrogen rate calculator. Nitrogen recommendation is for corn grown in southwestern/central Ontario, 2900 HU, loam soil, following wheat, with projected corn yield of 145 bu/ac, and nitrogen cost of \$1.11/kg and corn price of \$3.30/bu.

More accurate nitrogen requirements for corn, may be obtained on the internet at GOCORN.NET. A CD version is available by contacting OMAFRA Contact Centre at 877-424-1300.

SILAGE CORN

		Sample	Your Farm
		Costs/Acre	Budget
OPERATING EXPENSES			
Seed	— 31,000 kernels, treated	60.30	
Fertilizer	— 28 kg/ac MAP 11-52-0	13.35	
	— 32 kg/ac Muriate of Potash 0-0-60	11.75	
	— 52 kg/ac N (186 kg/ac of 28-0-0 U.A.N) ¹	58.95	
Herbicide	— annual grass and broadleaf weeds	37.15	
	— other weed control, if required		
Insecticide, if required			
Tractor and Machine Expenses			
	Fuel (28L) and lubricants	23.75	
	Repairs and maintenance	20.20	
Silo repair and maintenance			
Crop insurance		11.20	
Silage inoculant			
Custom work (fertilizer application, mixing & delivery)		9.15	
	(pesticide applications)	9.10	
	other		
Land rent			
Operator labour (self or hired)		25.35	
Interest on operating		9.80	
Total Operating Expenses		290.05	
REVENUE			
Expected yield			
Expected price			
Total Market Revenue (Yield × Price)			
Program payment			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES			
Machinery	— Depreciation	40.80	
	— Interest on investment	28.05	
Land			
Other overhead		6.25	
TOTAL EXPENSES		365.15	

Breakeven price on your farm is: (total expenses/expected yield).....

1. Nitrogen rate is based on the NEW nitrogen rate calculator. Nitrogen recommendation is for corn grown in southwestern/central Ontario, 2900 HU, loam soil, following wheat, with projected corn yield of 145 bu/ac, and nitrogen cost of \$1.11/kg and corn price of \$3.30/bu.

More accurate nitrogen requirements for corn, may be obtained on the internet at GOCORN.NET. A CD version is available by contacting OMAFRA Contact Centre at 1-877-424-1300.

FLAX

OPERATING EXPENSES (costs based on projected yield of 0.71 tonne/ac)		Sample Costs/Acre	Your Farm Budget
Seed — 37.5 lb/ac certified, treated.....		18.00	
Fertilizer — 18 kg/ac N.....		18.65	
— 9 kg/ac P.....		6.30	
— 9 kg/ac K.....		5.50	
Herbicide — broadleaf weed control.....		7.30	
— grass weed control, if required.....		14.00	
— dessicant.....		8.95	
Fungicide.....			
Tractor and Machine Expenses			
Fuel (9 L) and lubricants.....		7.65	
Repairs and maintenance.....		10.70	
Crop insurance.....			
Custom work (fertilizer application, mixing & delivery).....		9.15	
(2 pesticide applications).....		18.20	
other.....			
Trucking (\$6.35/tonne).....		4.50	
Storage.....			
Land rent.....			
Operator labour (self or hired).....		5.10	
Interest on operating.....		4.70	
Total Operating Expenses — Grain.....		132.80	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel.....		2.35	
Repairs and maintenance.....		3.20	
Twine.....		2.50	
Other.....		9.30	
Total Operating Expenses — Straw.....		17.35	
Total Operating Expenses.....		150.15	
REVENUE			
Expected flax yield.....			
Expected flax price.....			
Total Market Revenue (Yield × Price).....			
Program payment.....			
Total Flax Revenue.....			
GROSS MARGIN (Revenue – Operating Expenses).....			
OVERHEAD EXPENSES			
		Flax Only	Flax & Straw
Machinery — Depreciation.....		17.60	23.30
— Interest on investment.....		12.45	16.65
Land.....			
Other overhead.....		3.60	4.95
TOTAL EXPENSES.....		166.45	195.05
Breakeven price on your farm is: (total expenses/expected yield).....			

OATS

OPERATING EXPENSES (costs based on projected yield of 1.2 tonne/ac (78 bu/ac))		Sample Costs/Acre	Your Farm Budget
Seed — 85 lb/ac certified treated.....		23.55	
Fertilizer — 40 kg/ac 6-24-24.....		15.05	
— 31 kg/ac Urea (southern Ontario).....		14.75	
— 48 kg/ac Urea (Northern Ontario).....		22.85	
Herbicide — weed control, if required.....		6.40	
—			
Fungicide (for premium quality market).....		14.35	
Tractor and Machine Expenses			
Fuel (12 L) and lubricants.....		10.15	
Repairs and maintenance.....		15.85	
Crop insurance.....		4.25	
Custom work (fertilizer application, mixing & delivery).....		9.15	
(2 pesticide applications).....		18.20	
other			
Trucking (\$6.35/tonne).....		7.60	
Storage.....			
Land rent.....			
Operator labour (self or hired).....		8.50	
Interest on operating		5.00	
Total Operating Expenses — Grain		156.85	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel		2.35	
Repairs and maintenance.....		3.20	
Twine.....		2.50	
Other.....		9.30	
Total Operating Expenses — Straw		17.35	
Total Operating Expenses.....		174.20	
REVENUE			
Expected oat yield			
Expected oat price			
Total Market Revenue (Yield × Price).....			
Program payment			
Total Oats Revenue			
Expected straw yield			
Expected straw price			
Total Straw Revenue (Yield × Price)			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES			
	Oats Only	Oats & Straw	
Machinery — Depreciation	27.30	33.00	
— Interest on investment	19.10	23.30	
Land.....			
Other overhead	5.35	6.70	
TOTAL EXPENSES.....	208.60	237.20	
Breakeven price on your farm is: (total expenses/expected yield).....			

ORGANIC – GRAIN CORN AND SOYBEANS*

	Grain Corn	Soybeans	
OPERATING EXPENSES			
(costs based on projected yield of 2.40 tonne/ac (94 bu/ac) Grain Corn; 0.82 tonne/ac (30 bu/ac) Soybeans)	Sample Costs/Acre	Sample Costs/Acre	Your Farm Budget
Seed—Grain Corn – 30,000 kernels, certified, untreated; Soybeans – 200,000 seeds/ac certified, untreated in 21-30" rows	52.25	34.90	
Seed Inoculant		2.00	
Fertilizer – Manure, compost**	70.00		
Herbicide			
Insecticide			
Fungicide			
Soil maintenance (cover crop, fallow etc.)**	50.00	50.00	
Tractor and Machine Expenses			
Fuel (20 L corn, 17 L soybeans) and lubricants	17.30	14.75	
Repairs and maintenance	18.00	23.50	
Marketing fees (\$0.40/tonne (corn), \$0.95/tonne (soybeans))	0.95	0.80	
Certification fees	2.00	2.00	
Crop insurance	11.20	16.10	
Custom work			
Added expense for handling organic crops			
Trucking (\$7.00/tonne)	16.80	5.70	
Drying (\$16.92/tonne corn, \$7.38/tonne soybeans)	40.60	6.00	
Storage (\$1.91/tonne/month x 4 months)	18.35	6.25	
Land rent			
Operator labour (self or hired)	14.55	13.45	
Labour – hand weed	6.00	15.00	
Interest on operating	11.15	6.65	
Total Operating Expenses	329.15	197.10	
REVENUE			
Expected yield			
Expected price			
Total Market Revenue (Yield x Price)			
Program payment			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES			
Machinery – Depreciation	35.50	42.55	
– Interest on investment	24.70	31.50	
Land			
Other overhead	6.20	9.50	
TOTAL EXPENSES	395.55	280.65	
Breakeven price on your farm is: (total expenses/expected yield)			

* Organic budget estimates do not include transition period costs

** Manure, compost and cover crop costs are estimated but can be highly variable depending on your farm situation

ORGANIC – WINTER WHEAT AND SPELT*

	Winter Wheat	Spelt	Your Farm Budget
OPERATING EXPENSES	Sample Costs/Acre	Sample Costs/Acre	
(costs based on projected yield of 1.6 tonne/ac (60 bu/ac) Wheat; 1.0 tonne/ac Spelt)			
Seed—Wheat - 130 lb/ac certified, untreated (1.4 – 1.7 M seeds/acre)	41.95	65.00	
— Spelt - 180 lb/ac certified, untreated			
Fertilizer — Manure, compost**	70.00	70.00	
Herbicide			
Fungicide			
Soil maintenance (cover crop, fallow etc.) **	50.00	50.00	
Tractor and Machine Expenses			
Fuel (12 L wheat, 9 L spelt) and lubricants	10.15	7.80	
Repairs and maintenance	15.85	11.50	
Crop insurance	6.40		
Marketing board fee (\$2.00/tonne (wheat))	3.80		
Certification fees	2.00	2.00	
Custom work			
Added expense for handling organic crops			
Trucking (\$6.35 /tonne)	10.35	6.35	
Land rent			
Operator labour (self or hired)	8.50	6.45	
Labour – hand weed	6.00	6.00	
Interest on operating	13.05	13.10	
Total Operating Expenses — Grain	238.05	238.20	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel and lubricants	2.35	2.35	
Repairs and maintenance	3.20	3.20	
Twine	2.50	2.50	
Other	9.30	9.30	
Total Operating Expenses — Straw	17.35	17.35	
Total Operating Expenses —	255.40	255.55	
REVENUE			
Expected yield			
Expected price			
Total Market Revenue (Yield × Price)			
Program payment			
Total Revenue			
Expected straw yield			
Expected straw price			
Total Straw Revenue (Yield × Price)			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES			
	Wheat Only	Wheat & Straw	Spelt & Straw
Machinery — Depreciation	27.30	33.00	22.50
— Interest on investment	19.10	23.30	15.50
Land			
Other overhead	5.35	6.70	4.50
TOTAL EXPENSES-	307.15	318.40	280.70
309.30			
Breakeven price on your farm is: (total expenses/expected yield)			

* Organic budget estimates do not include transition period costs

** Manure, compost and cover crop costs are estimated but can be highly variable depending on your farm situation

ORGANIC – BARLEY AND OATS*

	Barley	Oats	
OPERATING EXPENSES			
(costs based on projected yield of 1.2 tonne/ac (55 bu/ac) Barley; 0.96 tonne/ac (62 bu/ac) Oats)	Sample Costs/Acre	Sample Costs/Acre	Your Farm Budget
Seed—Barley – 120 lb/ac certified, untreated			
—Oats – 85 lb/ac certified, untreated	26.20	18.55	
Fertilizer — Manure/compost**			
Herbicide —			
Fungicide			
Soil maintenance (cover crop, fallow etc.) **	50.00	50.00	
Tractor and Machine Expenses			
Fuel (9 L) and lubricants	7.80	7.80	
Repairs and maintenance	11.50	11.50	
Crop insurance	4.25	4.25	
Certification fees	2.00	2.00	
Custom work			
Added expense for handling organic crops			
Trucking (\$6.35 /tonne)	7.60	6.10	
Land rent			
Operator labour (self or hired)	6.45	6.45	
Labour – hand weed	6.00	6.00	
Interest on operating	7.10	6.55	
Total Operating Expenses — Grain	128.90	119.20	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel and lubricants	2.35	2.35	
Repairs and maintenance	3.20	3.20	
Twine	2.50	2.50	
Other	9.30	9.30	
Total Operating Expenses — Straw	17.35	17.35	
Total Operating Expenses —	146.25	136.55	
REVENUE			
Expected yield			
Expected price			
Total Market Revenue (Yield × Price)			
Program payment			
Total Revenue			
Expected straw yield			
Expected straw price			
Total Straw Revenue (Yield × Price)			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES			
	Barley Only	Barley & Straw	Oats Only Oats & Straw
Machinery — Depreciation	22.50	28.20	22.50 28.20
— Interest on investment	15.50	19.70	15.50 19.70
Land			
Other overhead	4.50	5.85	4.50 5.85
TOTAL EXPENSES-	188.75	200.00	161.70 190.30
Breakeven price on your farm is: (total expenses/expected yield)			
* Organic budget estimates do not include transition period costs			
** Manure, compost and cover crop costs are estimated but can be highly variable depending on your farm situation			

SOYBEANS

	Tillage System			Your Farm Budget
	Conventional	No-Till	Roundup Ready [®] No-Till	
OPERATING EXPENSES (costs based on projected yield of 1.12 tonne/ac (41 bu/ac))	Sample Costs/Acre	Sample Costs/Acre	Sample Costs/Acre	
Seed — 200,000 seeds/ac in 14" rows	34.90	34.90	58.70	
Fertilizer — 40 kg/ac 6-24-24	15.05	15.05	15.05	
Herbicide — annual grass and broadleaf weeds	38.25	38.25	8.95	
— burndown		8.95	8.95	
— other weed control, if required				
Seed treatment/inoculant, if required	5.00	5.00	5.00	
Tractor and Machine Expenses				
Fuel (12 L conv., 9 L no till) and lubricants	10.15	7.65	7.65	
Repairs and maintenance	16.85	10.70	10.70	
Marketing fees (\$0.95/tonne)	1.05	1.05	1.05	
Crop insurance	9.90	9.90	9.90	
Drying (\$7.38 /tonne)	8.05	8.05	8.05	
Custom work (pesticide application)	9.10	18.20	18.20	
(fertilizer appl., mixing & delivery)	9.15	9.15	9.15	
Added expense for IP				
Trucking (\$6.35/tonne)	7.10	7.10	7.10	
Storage (\$1.91/month/tonne X 4 months)	8.55	8.55	8.55	
Land rent				
Operator labour (self or hired)	8.50	5.10	5.10	
Interest on operating	6.35	6.55	6.35	
Total Operating Expenses	187.95	194.15	188.45	
REVENUE				
Expected yield				
Expected price				
Total Market Revenue (Yield × Price)				
Additional revenue from IP				
Program payment				
Total Revenue				
GROSS MARGIN (Revenue - Operating Expenses)				
OVERHEAD EXPENSES				
Machinery — Depreciation	27.80	17.60	17.60	
— Interest on investment	19.60	12.45	12.45	
Land				
Other overhead	5.35	3.60	3.60	
TOTAL EXPENSES	240.70	227.80	222.10	

Breakeven price on your farm is: (total expenses/expected yield)

SOFT WINTER WHEAT

	Tillage System		Your Farm Budget
	Conventional	No-Till	
OPERATING EXPENSES (costs based on projected yield of 1.9 tonne/ac (70 bu/ac))	Sample Costs/Acre	Sample Costs/Acre	
Seed — 110 lb/ac certified treated (1.4 – 1.7 M seeds/acre).....	35.50	35.50	
Fertilizer — 5 U.S. gal/ac liquid fertilizer (or dry starter).....	12.95	12.95	
— 90 kg/ac Urea.....	42.90	42.90	
Herbicide — broadleaf weeds.....	6.90	6.90	
Fungicide			
Tractor and Machine Expenses			
Fuel (12 L conv., 9 L no till) and lubricants	10.15	7.65	
Repairs and maintenance.....	15.85	10.70	
Crop insurance.....	6.40	6.40	
Marketing board fee (\$2.00/tonne)	3.80	3.80	
Custom work (fertilizer application, mixing & delivery)	9.15	9.15	
(pesticide application).....	9.10	9.10	
Added expense for IP.....			
Trucking (\$6.35/tonne).....	12.00	12.00	
Land rent.....			
Operator labour (self or hired).....	8.50	5.10	
Interest on operating	10.05	9.40	
Total Operating Expenses — Grain	183.25	171.55	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel (3 L) and lubricants	2.35	2.35	
Repairs and maintenance.....	3.20	3.20	
Twine.....	2.50	2.50	
Other.....	9.30	9.30	
Total Operating Expenses — Straw	17.35	17.35	
Total Operating Expenses —	200.60	188.90	
REVENUE			
Expected wheat yield			
Expected wheat price			
Total Market Revenue (Yield × Price).....			
Additional income from IP.....			
Program payment			
Total Wheat Revenue.....			
Expected straw yield			
Expected straw price			
Total Straw Revenue (Yield × Price)			
Total Revenue			

GROSS MARGIN (Revenue – Operating Expenses)

OVERHEAD EXPENSES

	Conventional		No Till	
	Wheat Only	Wheat & Straw	Wheat Only	Wheat & Straw
Machinery — Depreciation	27.30	33.00	16.45	22.15
— Interest on investment.....	19.10	23.30	11.60	15.80
Land.....				
Other overhead	5.35	6.70	3.60	4.95
TOTAL EXPENSES-	235.00	263.60	203.20	231.80

Breakeven price on your farm is: (total expenses/expected yield)

HARD RED WINTER WHEAT

	Tillage System		Your Farm Budget
	Conventional	No-Till	
OPERATING EXPENSES	Sample	Sample	
(costs based on projected yield of 1.9 tonne/ac (70 bu/ac))	Costs/Acre	Costs/Acre	
Seed — 140 lb/ac certified treated (1.4 – 17 M seeds/acre)	45.65	45.65	
Fertilizer — 5 U.S. gal/ac liquid fertilizer (or dry starter)	12.95	12.95	
— 130 kg/ac Urea	61.95	61.95	
Herbicide — broadleaf weeds	6.90	6.90	
— other weed control, if required			
Fungicide			
Tractor and Machine Expenses			
Fuel (12 L conv., 9 L no till) and lubricants	10.15	7.65	
Repairs and maintenance	15.85	10.70	
Crop insurance	6.40	6.40	
Marketing board fee (\$2.00/tonne)	3.80	3.80	
Custom work (fertilizer application, mixing & delivery)	9.15	9.15	
(pesticide application)	9.10	9.10	
Added expense for IP			
Trucking (\$6.35/tonne)	12.00	12.00	
Land rent			
Operator labour (self or hired)	8.50	5.10	
Interest on operating	11.75	11.10	
Total Operating Expenses — Grain	214.15	202.45	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel (3 L) and lubricants	2.35	2.35	
Repairs and maintenance	3.20	3.20	
Twine	2.50	2.50	
Other	9.30	9.30	
Total Operating Expenses — Straw	17.35	17.35	
Total Operating Expenses	231.50	219.80	
REVENUE			
Expected wheat yield			
Expected wheat price			
Total Market Revenue (Yield × Price)			
Additional income from IP			
Program payment			
Total Wheat Revenue			
Expected straw yield			
Expected straw price			
Total Straw Revenue (Yield × Price)			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES	Conventional		No-Till
	Wheat Only	Wheat & Straw	Wheat Only Wheat & Straw
Machinery— Depreciation	27.30	33.00	16.45 22.15
— Interest on investment	19.10	23.30	11.60 15.80
Land			
Other overhead	5.35	6.70	3.60 4.95
TOTAL EXPENSES	265.90	294.50	234.10 262.70
Breakeven price on your farm is: (total expenses/expected yield)			

HARD RED SPRING WHEAT

OPERATING EXPENSES (costs based on projected yield of 0.82 tonne/ac (30 bu/ac))		Sample Costs/Acre	Your Farm Budget
Seed — 130 lb/ac certified treated (1.4 – 1.6 m seeds/acre)		44.95	
Fertilizer — 40 kg/ac 6-24-24		15.05	
— 63 kg/ac Urea		30.00	
Herbicide — broadleaf weeds		6.40	
— grass or wild oat control, if required			
— other weed control, if required			
Fungicide			
Tractor and Machine Expenses			
Fuel (12 L) and lubricants		10.15	
Repairs and maintenance		15.85	
Crop insurance		6.15	
Marketing board fee (\$2.00/tonne)		1.65	
Custom work (fertilizer application, mixing & delivery)		9.15	
(pesticide application)		9.10	
other			
Added expense for IP			
Trucking (\$6.35/tonne)		5.20	
Land rent			
Operator labour (self or hired)		8.50	
Interest on operating		5.65	
Total Operating Expenses — Grain		167.80	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel (3 L)		2.35	
Repairs and maintenance		3.20	
Twine		2.50	
Other		9.30	
Total Operating Expenses — Straw		17.35	
Total Operating Expenses		185.15	
REVENUE			
Expected wheat yield			
Expected wheat price			
Total Market Revenue (Yield × Price)			
Additional income from IP			
Program payment			
Total Wheat Revenue			
Expected straw yield			
Expected straw price			
Total Straw Revenue (Yield × Price)			
Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)			
OVERHEAD EXPENSES			
	Wheat Only	Wheat & Straw	
Machinery — Depreciation	27.30	33.00	
— Interest on investment	19.10	23.30	
Land			
Other overhead	5.35	6.70	
TOTAL EXPENSES	219.55	248.15	

Breakeven price on your farm is: (total expenses/expected yield)

WHITE BEANS

OPERATING EXPENSES (costs based on projected yield of 14 cwt/ac)	Sample Costs/Acre	Your Farm Budget
Seed — 150,000 seeds/ac (14 – 22 inch rows) certified, treated seed (with Cruiser insecticide).....	67.40	
Fertilizer — 68 kg/ac 6-24-24.....	25.60	
— nitrogen, if required.....		
Herbicide — annual grass.....	15.10	
— broadleaf weeds.....	19.10	
Crop Pre-harvest.....	8.95	
Fungicide, if required.....		
Insecticide (Potato Leafhopper control).....	9.35	
Tractor and Machine Expenses		
Fuel (19 L) and lubricants.....	16.25	
Repairs and maintenance.....	18.05	
Marketing fees (\$7.94/tonne).....	5.05	
Crop insurance.....	13.45	
Custom work (fertilizer application, mixing & delivery).....	9.15	
(2 pesticide applications).....	18.20	
Trucking (\$6.35/tonne).....	4.00	
Drying.....		
Land rent.....		
Operator labour (self or hired).....	13.15	
Interest on operating.....	8.50	
Total Operating Expenses.....	251.30	
REVENUE		
Expected yield.....		
Expected price.....		
Total Market Revenue (Yield × Price).....		
Less Pick charges (typically 2 – 4%).....		
Program payment.....		
Total Revenue.....		
GROSS MARGIN (Revenue – Operating Expenses).....		
OVERHEAD EXPENSES		
Machinery — Depreciation.....	32.70	
— Interest on investment.....	21.95	
Land.....		
Other overhead.....	5.65	
TOTAL EXPENSES.....	311.60	
Breakeven price on your farm is: (total expenses/expected yield).....		

Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) Resources

Selected Factsheets and Publications

	Order No
<i>Budgeting Farm Machinery Costs</i>	01-075
<i>Leasing Farm Equipment</i>	01-003
<i>Guide to Custom Farmwork and Short-term Equipment Rental</i>	05-071
<i>Agronomy Guide for Field Crops</i>	Publication 811
<i>Guide to Weed Control</i>	Publication 75
<i>Field Crop Protection Guide</i>	Publication 812

A full listing of publications and order forms are available on the OMAFRA website www.omafra.gov.on.ca. Publications can also be ordered by calling 1-888-466-2372 from within Ontario, (519) 826-3700 from outside the province or by e-mail at products@ontario.ca.

OMAFRA has excellent tools and information to help manage your farm business. Follow the links to the Agricultural Business Management section of www.omafra.gov.on.ca. Results of the 2003 Custom Farmwork and Equipment Rental Rates survey are available here. The **Ontario Enterprise Budgets**, also found on the OMAFRA website, has budgets for cost of production, including field crops, posted with two display options. You can download a Budgeting Tool Excel file, modify the numbers to reflect your operation and then the file will complete the calculations. The Budgeting Tool also lets you assess the potential affect of production and marketing risk factors and risk management strategies. Or you can view, then print Manual Budget Forms that have a Sample Cost and a Your Farm column to input numbers manually in hard copy.

The Field Crop Budgets are updated by **John Molenhuis**, Business Analysis and Cost of Production Program Lead, OMAFRA, Brighton (john.molenhuis@ontario.ca) and **Brian Hall**, Edible Beans and Canola Specialist, OMAFRA, Stratford (brian.hall@ontario.ca).

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Published by the Ministry of Agriculture,
Food and Rural Affairs
© Queen's Printer for Ontario, 2006
Toronto, Canada
ISSN 0838-567X
Rev 12-06-1M



